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**IN THE UNITED STATES DISTRICT COURT  
FOR THE WESTERN DISTRICT OF OKLAHOMA**

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VTT MANAGEMENT INC.,

Plaintiff,

v.

FEDERAL INSURANCE COMPANY,

Defendant.

Case No: CIV-17-767-M

**JURY TRIAL DEMANDED**

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**COMPLAINT**

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1. Plaintiff, VTT Management, Inc., is a corporation domiciled and with its principal place of business in Massachusetts.

2. Defendant, Federal Insurance Company is an insurance company incorporated in and having its principal place of business and domiciled in Indiana.

3. The amount in controversy is in excess of the amount required for diversity jurisdiction pursuant to §1332 of Title 28 of the United States Code.

4. Based on the foregoing, this Court has diversity jurisdiction over these parties and this subject matter and venue is proper herein.

**COUNT I**

**BREACH OF CONTRACT**

5. On or about July 26, 2016, Federal Insurance Company ("Federal") issued a property insurance policy number 3594-25-77BOS to VTT Management,

Inc., covering certain properties including a residential apartment building owned by Plaintiff in Oklahoma City.

6. Plaintiff's property sustained substantial earthquake damage during the policy period from May 1, 2016 to May 1, 2017.

7. Plaintiff's loss exceeds the deductible in the policy.

8. Plaintiff's premiums were fully paid at all times material hereto.

9. Plaintiff submitted a claim for the loss to Federal and complied with all conditions precedent to recovery under the subject insurance policy.

10. Defendant breached the subject insurance contract by wrongfully denying a coverage for Plaintiff's claim for earthquake damage.

11. Earthquake is a covered cause of loss under the subject insurance policy.

12. Defendant was provided with the opportunity to inspect the property and investigate the loss and is fully aware of the damage which should have been covered under the subject policy.

13. Defendant refused payment by falsely asserting exclusions from coverage including wear and tear, deterioration and faulty maintenance, none of which apply to the damage being claimed.

14. As a result of Defendant's breach of the subject insurance contract Plaintiff has suffered property loss and damage, loss of rental income and other financial and incidental and consequential damages in an amount in excess of \$75,000.00.

**WHEREFORE**, Plaintiff, VTT Management, Inc., demands judgement against Defendant, Federal Insurance Company in an amount in excess of \$75,000.00 plus interest, costs, attorney fees, and all other relief which the Court deems just and equitable.

## **COUNT II**

### **INSURANCE BAD FAITH**

Plaintiff incorporates all previous allegations herein by reference and further alleges and states:

15. In order to find an excuse for denial, Defendant hired purported experts that it knew or had reason to know would write a report minimizing or avoiding covered causes of loss and instead would attribute the damage to non-covered causes of loss such as deterioration, wear and tear, faulty maintenance.

16. Defendant breached the implied covenant of good faith and fair dealing in accord with its routine practice for the handling of such claims, in the following respects:

a. failing and refusing payment and other policy benefits on behalf of Plaintiff at a time when Defendant knew that it was entitled to those benefits;

b. failing to properly investigate Plaintiff's claims and to obtain additional information both in connection with the original refusal and following the receipt of additional information;

c. withholding payment of the benefits on behalf of Plaintiffs knowing that Plaintiff's claims for those benefits were valid;

d. refusing to honor Plaintiff's claims in some instances for reasons contrary to the express provisions of the policy and/or Oklahoma law;

e. refusing to honor Plaintiff's claims in some instances by applying restrictions not contained in the policy;

f. refusing to honor Plaintiff's claims in some instances by knowingly misconstruing and misapplying provisions of the policy;

g. failing to adopt and implement reasonable standards for the prompt investigation and reasonable handling of claims arising under these policies, to include Plaintiff's claims;

h. not attempting in good faith to effectuate a prompt, fair and equitable settlement of Plaintiff's claims once liability had become reasonably clear;

i. forcing Plaintiff, pursuant to its claims practice, to retain counsel in order to secure benefits Defendant knew were payable;

j. failing to properly evaluate any investigation that was performed;

k. failing to follow the laws of insurance policy construction, including resolving any ambiguity in favor of coverage for their insured;

l. refusing to consider the reasonable expectations of the insured;

m. failing and refusing to properly investigate and consider the insurance coverage promised to their insured;

all in violation of the implied covenant of good faith and fair dealing and resulting in financial benefit to Defendant.

17. As a direct result of Defendant's breach of the implied covenant of good faith and fair dealing Plaintiff has suffered loss of the policy benefits, loss of the coverage promised by Defendant, loss of rental income, damage to reputation other financial, incidental and consequential damage.

18. Defendant's actions were wanton and reckless or willful and malicious and Plaintiff is entitled to recover punitive damages.

**WHEREFORE**, Plaintiff demands judgement against Defendant, Federal Insurance Company in an amount in excess of \$75,000.00 for compensatory damages and for punitive damages in excess of \$75,000 with interest, costs, attorney fees, and all other relief which the Court deems just and equitable.

**MANSELL, ENGEL & COLE**

s/Steven S. Mansell

Steven S. Mansell, OBA #10584

Mark A. Engel, OBA #10796

Kenneth G. Cole, OBA #11792

Adam Engel, OBA #32384

101 Park Avenue, Suite 665

Oklahoma City, OK 73102

T: (405) 232-4100 \*\* F: (405) 232-4140

E-mail: [mec@meclaw.net](mailto:mec@meclaw.net)

**JURY TRIAL DEMANDED  
ATTORNEY LIEN CLAIMED**

ATTORNEYS FOR PLAINTIFFS